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Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 51/234 of 13 June 1997, in which the Assembly requested the Secretary-General to continue his efforts to recover the overpayment of mission subsistence allowance at the United Nations Iraq-Kuwait Observation Mission and to report to it at its fifty-second session on the results of action taken for its recovery, including measures taken with respect to those responsible for the overpayment. Of the total overpayment of $6,312,201.53 ($851,093.50 in respect of staff and $5,461,108.03 in respect of military observers), an amount of $751,275.55 had been recovered as at 31 December 1997, and the balance of $5,560,925.98 remains outstanding.

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I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 51/234 of 13 June 1997, in which it requested the Secretary-General to continue his efforts to recover the overpayment of mission subsistence allowance, which was initially estimated at $988,443.50, and to report to the Assembly at its fifty-second session on the results of action taken for its recovery, including measures taken with respect to those responsible for the overpayment.

2. The present report provides updated information on the amount of the overpayment and actions taken for its recovery.

II. Overpayment of mission subsistence allowance

3. Following the consideration of the report o the Office of Internal Oversight Services for the period from 1 July 1995 to 30 June 1996 (A/51/432, annex), the General Assembly, in paragraph (d) of its decision 51/440 of 16 December 1996, requested the Secretary-General to take immediate action to recover the overpayment relating to mission subsistence allowance in the United Nations Iraq-Kuwait Observation Mission (UNIKOM) and to report to it no later than 31 May 1997 on the results of the actions taken for its recovery, as well as on the comprehensive review of the policies of the Organization in respect of compensatory time off and mission subsistence allowance. The report dealing with the comprehensive review of the policies of the Organization in respect of compensatory time off and mission subsistence allowance was submitted to the Assembly at its resumed fifty-first session (A/51/658/Add.3).

4. In paragraph 9 of the report of the Advisory Committee on Administrative and Budgetary Questions on the financing of UNIKOM for the period from 1 July 1997 to 30 June 1998 (A/51/683/Add.1), it was indicated that according to information provided by the Secretariat, the total amount to be recovered was estimated at $988,443.50, consisting of $647,041.50 from 143 staff members at Headquarters, $72,067.50 from 19 staff members who had separated from the Organization, $148,154.50 from 34 staff members serving at offices away from Headquarters and $121,180 from military observers.

5. The initial estimate of the overpayment of mission subsistence allowance to UNIKOM personnel included staff on Headquarters payroll, staff separated from the Organization, staff serving at offices away from Headquarters and military observers serving with UNIKOM at the time of the calculation of the overpayment. The estimate did not include those military observers who had served in UNIKOM during the period of the overpayment but had since departed from the mission.

6. The subsequent review indicates that the total overpayment amounted to $6,312,201.53, as follows: $624,191.50 to 137 staff members at Headquarters, $148,154.50 to 34 staff members serving at offices away from Headquarters, $78,747.50 to 21 staff members who have separated from the Organization and $5,461,108.03 to 1,356 military observers. The bulk of the revised overpayment relates to military observers who were no longer serving with UNIKOM at the time of the initial estimate.

7. It is recalled that the General Assembly, in its resolution 51/234, expressed its continued appreciation for the decision of the Government of Kuwait to defray two thirds of the cost of UNIKOM, effective 1 November 1993. In this connection, of the total estimated overpayment of $6,312,201.53, an amount of $3,504,802.75 relates to the period beginning 1 November 1993.

8. The annex to the present report provides a summary of the mission subsistence allowance overpayment as well as amounts recovered thus far and the balance to be recovered.

III. Actions taken for recovery of mission subsistence allowance overpayment

9. A total of $751,275.55 had been recovered as at 31 December 1997, and the balance of $5,560,925.98 remains outstanding.

10. With regard to the overpayment of $624,191.50 to staff members on Headquarters payroll, which includes an amount of $4,372.50 in respect of two staff members who are now deceased, an amount of $546,058.86 has been recovered and a balance of $78,132.64 remains outstanding.

11. The phased period of recovery of the overpayment from the 135 staff members on Headquarters payroll is based on the following:

    (a) For staff on permanent contracts, recovery would be approximately 15 per cent of the staff member's net salary per month;

    (b) For staff on fixed-term contracts, recovery would occur within the period remaining in the contract.

12. Three staff members have appealed the recovery of the mission subsistence allowance overpayment to the United Nations Administrative Tribunal. The applicants have requested an order to rescind the recovery of the overpayments and to return to them the amounts recovered. Alternatively, the applicants have requested that should the Administrative Tribunal find that the mission subsistence allowance overpayments are recoverable, the recovery should be limited to the last two years of overpayment. The administration is defending against the appeal.

13. With regard to the 34 staff members serving at offices away from Headquarters, of the total overpayment of $148,154.50, an amount of $81,263.19 has been recovered. The balance of $66,891.31 remains outstanding. The method of recovery described in paragraph 11 above was also applied to those staff members.

14. Letters requesting refund of the overpayment were also sent to the 21 staff members who had separated from the Organization. From the overpayment of $78,747.50 attributable to the group, an amount of $1,380 has been repaid by two former staff members, leaving a balance of $77,367.50.

15. The revised overpayment to military observers totalling $5,461,108.03 included an amount of $118,137.50 related to those observers who were still in the mission area when the overpayment was detected. This latter amount was fully recovered. In addition, an amount of $4,436 was recovered from three military observers who rejoined UNIKOM on a second tour of duty. The total amount recovered from military observers is $122,573.50.

16. Notification letters were sent, through the respective permanent mission in New York, to each of the other military observers who had departed from UNIKOM when the overpayment was detected. In this regard, two responses have been received. In one, the Ministry of Defence of a Member State has recommended to its military observers that they refrain from refunding the overpayment. The matter has been referred to the Office of Legal Affairs for review. In the second response, the military observer has indicated that the matter has been referred to his Government's Ministry of Defence for verification.

17. Updated information on the recovery of the overpayment of mission subsistence allowance will be included in subsequent reports of the Secretary-General on the financing of UNIKOM.

IV. Measures taken with respect to those responsible for the overpayment

18. A formal inquiry has been instituted and is under way in order to establish the circumstances of the overpayment of mission subsistence allowance. The measures to be taken will be based on the conclusions of the inquiry.

19. To prevent a recurrence of the problem, the policy related to the payment of mission subsistence allowance has been revised and simplified. A new administrative instruction, which defines the conditions governing mission subsistence allowance, was issued on 20 October 1997 (ST/AI/1997/6), and came into force on 1 November 1997.

Annex
Summary of mission subsistence allowance overpayment

Category	*Initial calculation as reported*		*Revised calculation*		*Amount recovered as at 31 December 1997 (United States dollars) (5)*	*Balance (United States dollars) (6) (4)-(5)*
	Number of staff (1)	*Overpayment (United States dollars) (2)*	*Number of staff (3)*	*Overpayment (United States dollars) (4)*		
Civilian staff						
On United Nations Headquarters payroll	143	647 041.50	137	624 191.50[a]	546 058.86	78 132.64
Serving at offices away from Headquarters	34	148 154.50	34	148 154.50	81 263.19	66 891.31
Separated from the Organization	19	72 067.50	21	78 747.50	1 380.00	77 367.50
Total		**867 263.50**		**851 093.50**	**628 702.05**	**222 391.45**
Military observers	**158**	**121 180.00**	**1 356**	**5 461 108.03**	**122 573.50**	**5 338 534.53**
Grand total		**988 443.50**		**6 312 201.53**	**751 275.55**	**5 560 925.98**

[a] Includes an amount of $4,372.50 related to two deceased staff.